

U.S. Department
of Transportation

**United States
Coast Guard**



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COMDTINST 7400.1
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COMMANDANT INSTRUCTION 7400.1

Subj: GUIDELINES FOR ESTABLISHING AND VALIDATING REIMBURSABLE
BILLETS AT USER FEE COLLECTION CENTERS

Ref: (a) 46 U.S.C. 2110
(b) OMB Circular A-25

1. PURPOSE. To publish the guidelines to be followed when establishing or validating reimbursable billets for the collection of user fees.
2. ACTION. Area and district commanders, commanders of maintenance and logistics commands, commanding officers of Headquarters units, assistant commandants for directorates, Chief Counsel and special staff offices at Headquarters shall ensure that the guidelines prescribed within this instruction are followed.
3. DIRECTIVES AFFECTED. The contents of this instruction will be incorporated into a future change to the Financial Resources Management Manual.
4. BACKGROUND. The Coast Guard charges and collects fees for various services provided to specifically identifiable users. As stated in reference (a), "A federal agency shall account for the agency's costs of collecting the fee or charge...as a reimbursable expense, and the costs shall be credited to the account from which expended." The intent of this instruction is to provide guidance and clarification on when it is appropriate to classify a user fee-related billet as reimbursable.
5. DISCUSSION. Generally speaking, reimbursable billets for the collection and processing of user fees can be justified under two separate sets of circumstances. In the first case, fees are

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charged for services which are initially funded by our annual Congressional Appropriation or other authority. For the purposes of this instruction, these fees are referred to as category 1 fees. This category includes Merchant Marine Licensing Documentation and Renewal, Commercial Vessel Inspections, Commercial Vessel Documentation, Certificates of Financial Responsibility, and the Alaskan Boating Registration fee. The second case occurs when the Coast Guard is legislatively charged with providing a service for which no Congressionally appropriated funds are available. For the purposes of this instruction, these fees are referred to as category 2 fees. In this category, services rendered are Congressionally mandated to be self-supporting. Currently, the only fee which falls into this category is Recreational Vessel Documentation. Distinguishing these two categories is important because it will significantly affect which billets may be characterized as reimbursable.

6. POLICY. Utilizing the guidelines in this instruction, program managers shall be responsible for the management of reimbursable billets.
 - a. Existing billets must be validated biennially. This shall be done as part of the biennial review of each user fee as mandated by reference (b). Results of this review shall be reported to Commandant (G-CFS) and (G-CBU).
 - b. Requests made to establish a new reimbursable billet or to convert the funding of an existing billet from the Operating Expense appropriation to reimbursable shall be made to Commandant (G-CPA) after being concurrently reviewed by Commandant (G-CFS), (G-LGL) and (G-CBU). Whenever possible, Headquarters Program Managers shall consolidate requests made from their field units.
 - c. Program managers may manage their pool of reimbursable billets on a collective basis. Partial needs for reimbursable billets at the same or differing locations may be consolidated. If this approach is used, it is the responsibility of the program manager to decide where the actual billet will be assigned and to ensure that the actual number of FTE assigned does not exceed the documented need. This documentation shall be available upon request for audit purposes.
 - d. In all cases, the purpose of the reimbursable billet is for the management of user fees. Any collateral duties that are assigned will be secondary to this primary function and cannot be used as the basis for a position upgrade.

/s/W. H. CAMPBELL
Director of Finance and Procurement

Encl: (1) Guidelines for Category 1 fees
(2) Guidelines for Category 2 fees

CATEGORY 1 USER FEES
GUIDELINES FOR ESTABLISHING & VALIDATING REIMBURSABLE BILLETS

When evaluating the need for a reimbursable billet at the unit level for category 1 user fee services the Coast Guard may be reimbursed only for those incremental costs of collection which are associated with collecting a particular fee. The following guidelines describe when a particular billet is to be considered reimbursable:

Collection Clerks (Cashier): A collection clerk is defined as an individual, designated in writing, to:

Collect all user fees and process collections;
Count and total daily collections;
Properly secure collections; and
Prepare daily deposit slip and deposit, and maintain accurate records of daily user fee deposits.

All full time cashiers should be reimbursable. Alternates or individuals who perform primary cashier duties only as a collateral duty will not normally be designated as reimbursable. The exception to this occurs when a designated collection clerk billet is required to ensure proper separation of duties and internal control over the collection process. In this case, the billet may be reimbursed, since it would not be needed if not for the collection of fees.

User Fee Collection Technician: This position is defined as an individual who spends the majority of his/her time actively pursuing and managing the collection of overdue user fees. If a collection activity does not require a full-time receivables clerk, then the billet should be reimbursable only if the position would be deleted in the event of termination of a particular fee. Alternates will not normally be designated as reimbursable.

User Fee Accounting Technician: This position is defined as an individual who spends the majority of his/her time actively processing and verifying user fee deposits made by collection centers to commercial banks. This includes the day-to-day interaction with collection sites, commercial banks (lock box contractors) and the internal staff at the FINCEN. Assigned duties may also include interaction with the public regarding collection of user fees. These types of billets should be reimbursable only if the position would be deleted in the event of termination of user fee collections. Alternates will not normally be designated as reimbursable.

User Fee Mail Clerks: A mail clerk is defined as an individual, designated in writing, to open daily mail and separate user fee collections from accompanying correspondence. These individuals will not normally be considered reimbursable. The exception to this rule occurs when a collection center, due to the nature of its business, requires one or more full-time mail clerks to process incoming user fees.

All reimbursable billets must be funded by the fee(s) which their position is associated with.

Enclosure (2) to COMDTINST 7400.1

CATEGORY 2 USER FEES
GUIDELINES FOR ESTABLISHING & VALIDATING REIMBURSABLE BILLETS

The overarching guidance to be used when evaluating the need for a reimbursable billet for Category 2 user fee services is that the Coast Guard cannot utilize appropriated funds for expenses which are specifically prohibited in its Appropriation Act. In this regard, billets funded by the OE appropriation must not be utilized to perform any service which is congressionally mandated to be self-sustaining. Therefore, for Category 2 user fee services, all billets dedicated to the provision and administration of a particular user fee service shall be fully reimbursable. The exception to this rule occurs when there would be a continuing need for a particular billet even if the service in question was no longer provided. In this case, guidelines for Category 1 fees should be applied.